437 (2) The Traditional Economic System
421 The kanam tenure had significance as an institution which linked the system of payments in kind, found within the inland villages, to the
[433] cash economy of the coastal towns. Traditionally, each village appears to have been self-sufficient for the basic necessities of life. The high castes paid lower caste servants daily or thrice annually in paddy and the lower castes traded services and some goods with each other with paddy as their medium of exchange. Irava tenants paid their rents in paddy to Nayar kanakkar, who in turn paid a much smaller rent in paddy to the janmi.

Nayar men, however, though they lived mainly from the produce of their estates, were also paid in cash by the Raja in return for military service.
[436] The use of money was otherwise confined mainly to the coast-towns and to overseas' trade with the Arabs, Portuguese, Dutch, French and English in pepper and other commodities. This trade was largely carried on by the Muslims, who were originally, from the ninth century, converted from the lower Hindu castes by Arab
[442] traders. Muslim middlemen obtained pepper from cultivators of inland and foothill villages in return for cloth obtained from overseas, or manufactured by Hindu castes of weavers in the towns. They traded the pepper for cash to Arabs
[651] and Europeans. The royal lineage obtained revenue by several kinds of taxes levelled on this merchandise, and paid the Nayar armies from its coffers. The Nayars in turn made periodic kanam cash payments to Nambudiri and other

11: India G-4, 5 (1960-1961) 1962 AWII Kerala AWII

134 units. Actual cost is borne by the beneficiaries because the State recovers it by easy
185 instalments. The average cost of soil conservation is Rs. 150 per acre. The total cost of conserving one million acres at an average rate of Rs. 150 per acre would be
[464] Rs. 1.5 crores per year assuming that the programme is evenly phased. Soil conservation work is also very labour intensive and the proposed programme would give continuous employment to about 17,500 persons over the next 10-year period.

Related Aspects

*433 2.79 For full effectiveness, the development programme for agriculture, as
649 suggested above, would need a larger extension organization than that which was set up in 1953. It is expected to cover the whole of the State by the middle of the Third Plan period. The extension work at present is not intensive enough. The number of extension workers is too few to be really effective; the staff capacity needs to be augmented. In this connection the Agriculture Personnel Committee has recommended that the work in charge of a village level worker should be reduced by half. The Committee has also made suggestions on other aspects such as training and education, etc., of extension workers. The State Government may examine these proposals with a view to implementation as early as possible.

Marketing

*433 2.80 The small cultivators generally experience great difficulty in disposing of
442 their produce at reasonable prices. In case of some commodities like ginger, pepper
438 and arecanut, the difference between the price received by producers and that paid by consumers is as high as 100 per cent. In addition, none of the commodities except lemon grass is properly graded and this leads to serious consequences from the point of view of export markets. Marketing, processing and grading facilities should
[656] be developed so that both the producers as well as the consumers are benefited. In this context, as recommended by the Directorate of Marketing and Inspection, all the 41 wholesale markets in the State should be regulated. At present only four are regulated.

Agricultural Credit

*433 2.81 The average level of earning of farmers being rather low, most of them
452 require credit facilities for making improvements in their land. According to a survey, conducted in 1960 by the Bureau of Economic Studies, 89 per cent of the farmers need credit of some type. It also reveals that 82 per cent of the farmers need short term credit while medium and long term credit are needed by 56 and 34 per cent of farmers respectively. On the basis of the findings of the survey, the annual agricultural credit needs for the whole State may be put at 32.8 crores, of which Rs. 18.67 crores would be in the nature of short term credit, Rs. 6.74 crores medium term credit and Rs. 6.5 crores long term credit. The garden crops would account for Rs. 21.6 crores and paddy Rs. 11.2 crores.

11: India G-4, 5 (1960-1961) 1962 AWll Kerala AWll

3.25 The supply of succulent green fodder throughout the year also needs to be improved. The farmers should be induced to grow leguminous and perennial fodders like elephant and napier grass in the field corners or on waste lands. Distribution of seeds and cuttings to the farmers and demonstration of fodder cultivation on the fields of cultivators would go a long way in improving the production of green fodder. Municipalities and panchayats may also organize fodder farms for utilizing sewage and city compost.

3.26 The development measures and aids proposed here, when implemented, would increase the output of animal husbandry products. Proper feeding of cattle and buffaloes can bring about an immediate increase of about 50 per cent in the production of milk.[1] Egg production may increase by over 100 per cent of the present output. Similar increases may be expected in other items too. This would give rise to the problem of suitable utilization of the additional output. Surprisingly enough, even the existing production is not being suitably utilized. For instance, even though milk output in the State is very low and there is an acute scarcity of fluid milk in the urban areas, as much as 41 per cent of the milk is processed into ghee.[2] In a State like Kerala which has a shortage of milk, it would have been more appropriate to consume the maximum possible amount of milk in a fluid state rather than in the form of milk products, since fluid milk is more wholesome and the processing of milk partly destroys its vital nutritional content. This situation is due to lack of purchasing power with the rural people together with absence of facilities to market the milk in the urban areas. Since milk is a highly perishable commodity, the next best course for producers to follow in such a situation is to process it into the comparatively non-perishable ghee. But this is a wasteful process and the profits are also low.

3.27 It is also gathered that 15 to 25 per cent of the total egg production in the State is wasted by breakage and spoilage due to defective and inadequate marketing facilities. Unless adequate and prompt measures are taken to remove drawbacks in the marketing system, the measures proposed here cannot be expected to yield full benefits and the producers cannot be expected to take a sustained interest in these. The solution to this problem lies in providing at least some of these facilities, the most urgent being the organization of marketing and processing facilities and services for dairy and poultry products.

DAIRY DEVELOPMENT

3.28 Dairy development on scientific lines is a pressing need. This was a neglected field prior to the Second Plan. During the Second Plan, however, dairy development received some attention. Two schemes for processing 150 maunds of milk per day, one each in Trivandrum and Calicut, were taken up during the Second Plan. Each

[1] *Third Five Year Plan, Draft Outline*, Government of Kerala, 1960.

[2] In 1956 the total production of milk in Kerala was 4,940 thousand maunds, of this 2,332 thousand maunds (47%) were consumed in the fluid state and 2,020 thousand maunds (41%) converted into ghee.

(SOURCE: *Indian Livestock Statistics, 1953-54 to 1956-58*: Issued by the Economic and Statistical Adviser, Ministry of Food and Agriculture).

11: India G-4, 5 (1960-1961) 1962 AW11 Kerala AW11

Transport

5.46 The entire coastline of Kerala is well served by the railways. From Trivandrum to Kayankulam and from Tirur to Manjeswar, a total distance of 220 miles, the tracks are only two to three miles from the sea coast. In addition, there is a motorable road running almost all along the entire coastline. Head loads, bicycles, motor lorries, all these modes are employed for the transportation of fish to the markets depending on the distance of the landing sites from the consuming centres.

5.47 The State Fisheries Department operates four insulated vans. In addition, the Department operates two insulated carrier boats, one from Cochin and the other from Azhikode. These boats transport iced-fish through the inland waters to the interior places. For the marketing of fish in the interior areas, the Indo-Norwegian Project operates eight refrigerated vans.

5.48 It is estimated that the State will require about 60 road vehicles and 20 carrier vessels during the next 10 years. The capital expenditure on these is expected to be about Rs. 40 lakhs, of which Rs. 15 lakhs would be required during the Third Plan. The trucks and carrier vessels should, as far as possible, be owned and operated by Fishermen's Cooperative Societies. Expansion of insulated wagon facilities on the railways will be equally necessary. Insulated wagons should be provided on routes connecting the major production centres with the consumption centres.

Marketing

5.49 The marketing of fish in Kerala is not well organized. At present it is controlled by a few moneylenders and fish merchants. The fishermen are very poor and have generally to depend on borrowings during the off season. A departmental survey reveals that in 1958 the fishermen in Kerala had total assets of only about Rs. 30 lakhs against a total debt of Rs. 135 lakhs. Only a small percentage of the fishermen in Kerala own the boats and nets they use. Most of them work as employees under few boat-owner fishermen. In the pay-off period the boat-owner advances small amounts to the fishermen for their day-to-day needs. The catch is auctioned at the landing centres. The bidders include the fish curers, the retailers and lorry owners, who generally supply fish to the retailers.

5.50 Fish prices fluctuate considerably even in the course of the day. Fish is never weighed in the market. They are measured by standards such as heap, basket, and number, and these vary from market to market. The important wholesale fish markets in the State are located at Trivandrum, Kottayam, Tonur, Trichur, Kozhikode, Alwaye, Changanacherry and Athirumpuzha.

5.51 Changanacherry, Athirumpuzha and Vaniyankulam are the most important markets for cured and salted fish. In the coastal areas the consumption of dried fish is confined mostly to the off-season when fishing totally stops. In the interior of the State, owing to lack of transport facilities, cured fish is sold for the major part of the year. The State has a number of retail fish markets, every town or a group of villages having at least one.

5.52 Fish marketing in Kerala requires a great deal of improvement, both

11: India G-4, 5 (1960-1961) 1962 AWll Kerala AWll

433 442 443 organizational and physical. Most of the fish markets lack such facilities as adequate supply of water, drainage, proper flooring, wire screen, etc. Clean and hygienic conditions for the sale of fish should be created in all the consumption centres. A number of retail and wholesale fish markets should be built at all the major consumption centres. Twenty of these markets may be a good target for the next decade. Provision of fish storage facilities, by way of small refrigerated cabinets is also necessary in retail marketing. The capital cost for building these new markets and providing the storage cabinets would be about Rs. 20 lakhs of which Rs. 8 lakhs may be under the Third Plan. In order to ensure reasonable return to the fishermen it is imperative that cooperative marketing of fish should be expanded as much as possible.

Servicing of Marine Engines

433 504 5.53 The programme envisaged for mechanized fishing will call for adequate servicing and overhauling facilities. The Integrated Fisheries Development Centres, where most of the mechanized boats will be concentrated, should have properly equipped servicing stations. At least three such stations may be established by the end of the Third Plan, and another five by the end of the Fourth Plan. Together, the capital cost of these eight service stations will be about Rs. 4 lakhs.

Cooperatives

226 474 5.54 Fishermen's cooperatives in Kerala are not well developed. Most of the societies are credit societies. Only three cooperative societies are engaged in the manufacture of nets and two in the marketing of fish. Recently some Producer Cooperative Societies have been organized under the auspices of the Fisheries Department. Nets, boats, etc., are owned by these societies and the members carry on fishing on a cooperative basis.

433 226 474 5.55 Simultaneously with the development of fisheries in the next decade, the fisheries cooperative should also be strengthened. The aim should be to bring the majority of the fishermen within the cooperative fold. The Integrated Fisheries Development Centres should all be organized on a cooperative basis, covering all aspects of the industry.

Staff

433 228 647 655 5.56 The Fisheries Directorate appears to be adequately staffed for the work it has to deal with at present. However, the implementation of the expanded programme suggested in this report will not only entail a considerable strengthening of the existing staff, but also require certain new categories of technical personnel. It will be especially necessary to provide an adequate staff to man the mechanized boats and the technical services necessary to operate the boats. A number of training centres should be opened to train the fishermen in the art of mechanized fishing. In addition, each of the Integrated Fisheries Centres should have a trained Marketing Assistant to assist the fishermen and their Cooperatives in organizing the marketing of their catches. It